

HOUSE BILL No. 2263

By Representative Burgess

2-9

1 AN ACT concerning retirement and pensions; relating to the Kansas
2 police and firemen's retirement system; retirement benefits; employee
3 contributions, increase; amending K.S.A. 74-4958, 74-4958a and 74-
4 4965 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 74-4958 is hereby amended to read as follows: 74-
8 4958. (1) Any member ~~who retires on or after July 1, 1993,~~ shall be
9 entitled to receive an age and service retirement benefit equal to 2.5% of
10 such member's final average salary multiplied by the number of years of
11 credited service *for which the member contributed at the 7% contribution*
12 *rate prescribed by K.S.A. 74-4965, and amendments thereto, or for which*
13 *such member made a lump sum repayment in accordance with the*
14 *provisions of K.S.A. 74-4965, and amendments thereto* ~~except that in no~~
15 ~~ease shall such retirement benefit exceed 80% of such member's final~~
16 ~~average salary.~~

17 (2) Any member who is appointed or employed prior to July 1,
18 1989, who does not make an election pursuant to K.S.A. 74-4955a and
19 amendments thereto and who retires before such member's normal
20 retirement date shall receive an early retirement benefit equal to the
21 annual retirement benefit payable had the member retired on the normal
22 retirement date reduced by an amount equal to the product of (A) such
23 annual retirement benefit payable had the member retired on the normal
24 retirement date, multiplied by (B) the product of .4% multiplied by the
25 number of months difference, to the nearest whole month, between the
26 member's attained age at the time of retirement and age 55.

27 (3) Upon the death after retirement of a member who was covered,
28 up to the entry date of the member's employer, by a pension system under
29 the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments
30 thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments
31 thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments
32 thereto, and who had not elected to retire under one of the options
33 provided under K.S.A. 74-4964 and amendments thereto, the member's
34 spouse, if such spouse was the member's lawfully wedded spouse for a
35 period of not less than one year at the time of the member's retirement or
36 if such spouse had been the member's lawfully wedded spouse for at least

1 three years after the time of the member's retirement, shall receive: (A)
2 Pursuant to the provisions of K.S.A. 74-49,128, and amendments thereto,
3 a lump-sum benefit equal to $\frac{1}{2}$ the member's final average salary at the
4 time of the member's retirement; and (B) an annual spouse's benefit equal
5 to 75% of the member's retirement benefit payable in monthly
6 installments, to accrue from the last day of the month following the
7 member's date of death and ending on the last day of the month in which
8 the spouse dies. Commencing on the effective date of this act, any
9 surviving spouse, who was receiving benefits pursuant to this section and
10 who had such benefits terminated by reason of such spouse's remarriage,
11 shall be entitled to once again receive benefits pursuant to this section,
12 except that such surviving spouse shall not be entitled to recover any
13 benefits not received after the termination of benefits by reason of such
14 surviving spouse's remarriage but before the effective date of this act. If
15 there is no surviving spouse, or if after the death of the spouse there
16 remain one or more children under the age of 18 years or one or more
17 children under the age of 23 years who is a full-time student as provided
18 in K.S.A. 74-49,117 and amendments thereto, the spouse's benefit shall
19 be payable, subject to the provisions of K.S.A. 74-49,123 and
20 amendments thereto, in equal shares to such children and each child's
21 share shall end on the last day of the month in which such child attains
22 the age of 18 years or dies, whichever occurs earlier or in which such
23 child attains the age of 23 years if such child is a full-time student as
24 provided in K.S.A. 74-49,117 and amendments thereto. Commencing on
25 the effective date of this act, any child who was receiving benefits
26 pursuant to this section and who had such benefits terminated by reason
27 of such child's marriage, shall be entitled to once again receive benefits
28 pursuant to this section subject to the limitations contained in this section,
29 except that such child shall not be entitled to recover any benefits not
30 received after the termination of benefits by reason of such child's
31 marriage but before the effective date of this act. All payments due under
32 this section to a minor shall be made to a legally appointed conservator of
33 such minor as provided in subsection (7) of K.S.A. 74-4902 and
34 amendments thereto. No person shall be entitled to receive more than one
35 benefit under the provisions of this subsection. Any person who otherwise
36 meets the qualifications to receive more than one benefit under this
37 subsection shall elect the benefit such person shall receive.

38 (4) Upon the death after retirement of a member who had not elected
39 to retire under one of the options provided under K.S.A. 74-4964 and
40 amendments thereto, such member's beneficiary shall receive an amount
41 equal to the excess, if any, of such member's accumulated contributions
42 over the sum of all retirement benefit payments made.

43 (5) The provisions of law in effect on the retirement date of a

1 member under the system shall govern the retirement benefit payable to
2 the retirant, any joint annuitant and any beneficiary.

3 Sec. 2. K.S.A. 74-4958a is hereby amended to read as follows: 74-

4 4958a. (1) Any member ~~who retires on or after July 1, 1993,~~ shall be
5 entitled to receive an age and service retirement benefit equal to 2.5% of
6 such member's final average salary multiplied by the number of years of
7 credited service *for which the member contributed at the 7% contribution*
8 *rate prescribed by K.S.A. 74-4965, and amendments thereto, or for which*
9 *such member made a lump sum repayment in accordance with the*
10 *provisions of K.S.A. 74-4965, and amendments thereto* ~~except that in no~~
11 ~~case shall such retirement benefit exceed 80% of such member's final~~
12 ~~average salary.~~

13 (2) Any member who retires before such member's normal
14 retirement date shall receive an early retirement benefit equal to the
15 annual retirement benefit payable had the member retired on the normal
16 retirement date reduced by an amount equal to the product of (A) such
17 annual retirement benefit payable had the member retired on the normal
18 retirement date, multiplied by (B) the product of .4% multiplied by the
19 number of months difference, to the nearest whole month, between the
20 member's attained age at the time of retirement and age 55.

21 (3) Pursuant to the provisions of K.S.A. 74-49,128, and amendments
22 thereto, upon the death after retirement of a member who was covered, up
23 to the entry date of the member's employer, by a pension system under
24 the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments
25 thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments
26 thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments
27 thereto, and who had not elected to retire under one of the options
28 provided under K.S.A. 74-4964 and amendments thereto, the member's
29 spouse, if such spouse was the member's lawfully wedded spouse for a
30 period of not less than one year at the time of the member's retirement or
31 if such spouse had been the member's lawfully wedded spouse for at least
32 three years after the time of the member's retirement, shall receive: (A)
33 Pursuant to the provisions of K.S.A. 74-49,128, and amendments thereto,
34 a lump-sum benefit equal to $\frac{1}{2}$ the member's final average salary at the
35 time of the member's retirement; and (B) an annual spouse's benefit equal
36 to 75% of the member's retirement benefit payable in monthly
37 installments, to accrue from the first day of the month following the
38 member's date of death and ending on the last day of the month in which
39 the spouse dies. Commencing on the effective date of this act, any
40 surviving spouse, who was receiving benefits pursuant to this section and
41 who had such benefits terminated by reason of such spouse's remarriage,
42 shall be entitled to once again receive benefits pursuant to this section,
43 except that such surviving spouse shall not be entitled to recover any

1 benefits not received after the termination of benefits by reason of such
2 surviving spouse's remarriage but before the effective date of this act. If
3 there is no surviving spouse, or if after the death of the spouse there
4 remain one or more children under the age of 18 years or one or more
5 children under the age of 23 years who is a full-time student as provided
6 in K.S.A. 74-49,117 and amendments thereto, the spouse's benefit shall
7 be payable, subject to the provisions of K.S.A. 74-49,123 and
8 amendments thereto, in equal shares to such children and each child's
9 share shall end on the last day of the month in which such child attains
10 the age of 18 years or dies, whichever occurs earlier or in which such
11 child attains the age of 23 years, if such child is a full-time student as
12 provided in K.S.A. 74-49,117 and amendments thereto. Commencing on
13 the effective date of this act, any child who was receiving benefits
14 pursuant to this section and who had such benefits terminated by reason
15 of such child's marriage, shall be entitled to once again receive benefits
16 pursuant to this section subject to the limitations contained in this section,
17 except that such child shall not be entitled to recover any benefits not
18 received after the termination of benefits by reason of such child's
19 marriage but before the effective date of this act. All payments due under
20 this section to a minor shall be made to a legally appointed conservator of
21 such minor as provided in subsection (7) of K.S.A. 74-4902 and
22 amendments thereto. No person shall be entitled to receive more than one
23 benefit under the provisions of this subsection. Any person who otherwise
24 meets the qualifications to receive more than one benefit under this
25 subsection shall elect the benefit such person shall receive.

26 (4) Upon the death after retirement of a member who had not elected
27 to retire under one of the options provided under K.S.A. 74-4964 and
28 amendments thereto, such member's beneficiary shall receive an amount
29 equal to the excess, if any, of such member's accumulated contributions
30 over the sum of all retirement benefit payments made.

31 (5) The provisions of this section shall be effective on and after July
32 1, 1989 and shall apply only to members who were appointed or
33 employed prior to July 1, 1989, and who made an election pursuant to
34 K.S.A. 74-4955a and amendments thereto; and persons appointed or
35 employed on or after July 1, 1989.

36 (6) The provisions of law in effect on the retirement date of a
37 member under the system shall govern the retirement benefit payable to
38 the retirant, any joint annuitant and any beneficiary.

39 Sec. 3. K.S.A. 74-4965 is hereby amended to read as follows: 74-
40 4965. (1) Except as otherwise provided in this section, each participating
41 employer shall, beginning with the first payroll period for services
42 performed after the entry date, deduct from the compensation of each
43 member 7% of such member's compensation as employee contributions,

1 except that in the case of a member whose employment is covered by
2 social security and the member is a member of the class certified in the
3 case of *Brazelton v. Kansas public employees retirement system*, 227 K.
4 443, 607 P.2d 510 (1980), the deduction from such member's
5 compensation shall be reduced by the amount of such member's
6 contributions to social security.

7 (2) For any member other than a member who is a member of the
8 class certified in the case of *Brazelton v. Kansas public employees*
9 *retirement system*, 227 K. 443, 607 P.2d 510 (1980), no employee
10 contributions shall be reduced because of contributions to social security.

11 (3) All such deductions shall be remitted quarterly, or as the board
12 may otherwise provide, to the executive director for credit to the Kansas
13 public employees retirement fund and shall be credited to the members'
14 individual accounts. Interest on each member's accumulated contributions
15 at the rate determined under subsection (a) of K.S.A. 74-4922 and
16 amendments thereto shall be added annually to the member's individual
17 account.

18 (4) ~~For all payroll periods commencing on or after the effective~~
19 ~~date of this act, each participating employer shall deduct from the~~
20 ~~compensation of each member who has received 32 years of credited~~
21 ~~service, 2% of such member's compensation as employee contributions.~~
22 *For each member that is having 2% of such member's compensation*
23 *deducted as employee contributions on July 1, 2011, for all payroll*
24 *periods commencing on or after July 1, 2011, the participating employer*
25 *shall deduct from the compensation of each such member 7% of such*
26 *member's compensation as employee contributions. Any active member*
27 *who is contributing at the 2% employee contribution rate as of July 1,*
28 *2011, shall commence contributing at the 7% employee contribution rate*
29 *the first payroll period beginning on or after June 30, 2011. Such member*
30 *may repay in a lump sum prior to or on such member's date of retirement,*
31 *an amount equal to the difference between contributions actually made*
32 *by the member and contributions which would have been made had such*
33 *member always been contributing at the 7% employee contribution rate*
34 *for all such service earned during the period of time the member made*
35 *contributions at the 2% employee contribution rate, with interest. Such*
36 *repayment, if made at retirement, may be deducted from the proceeds of*
37 *the partial lump sum retirement options at subsection (5)(G) of K.S.A. 74-*
38 *4964, and amendments thereto, in the event the member elects such*
39 *option. Such member shall pay the actual amount plus interest at a rate*
40 *specified by the board. Any member who makes such a payment shall be*
41 *entitled to service credit for purposes of calculation of retirement benefit*
42 *pursuant to the provisions of K.S.A. 74-4958 and 74-4958a, and*
43 *amendments thereto, for all years of service wherein such member*

1 *contributed at the 7% employee contribution rate, including all years of*
2 *service such member previously paid at the 2% employee contribution*
3 *rate but prior to or on such member's date of retirement repaid the*
4 *difference pursuant to this subsection.*

5 (5) (a) Subject to the provisions of K.S.A. 74-49,123 and
6 amendments thereto, each participating employer, pursuant to the
7 provisions of section 414(h)(2) of the federal internal revenue code, shall
8 pick up and pay the contributions which would otherwise be payable by
9 members as prescribed in subsection (1) commencing with the third
10 quarter of 1984. The contributions so picked up shall be treated as
11 employer contributions for purposes of determining the amounts of
12 federal income taxes to withhold from the member's compensation.

13 (b) Member contributions picked up by the employer shall be paid
14 from the same source of funds used for the payment of compensation to a
15 member. A deduction shall be made from each member's compensation
16 equal to the amount of the member's contributions picked up by the
17 employer, provided that such deduction shall not reduce the member's
18 compensation for purposes of computing benefits under the system.

19 (c) Member contributions picked up by the employer shall be
20 remitted quarterly, or as the board may otherwise provide, to the
21 executive director for credit to the Kansas public employees retirement
22 fund. Such contributions shall be credited to a separate account within the
23 member's individual account so that amounts contributed by the member
24 commencing with the third quarter of 1984 may be distinguished from the
25 member contributions picked up by the employer. Interest shall be added
26 annually to members' individual accounts.

27 Sec. 4. K.S.A. 74-4958, 74-4958a and 74-4965 are hereby repealed.

28 Sec. 5. This act shall take effect and be in force from and after its
29 publication in the statute book.

30
31